Agreement for Oil Exploration in Mahanadi Offshore Area

1364. SHRI MUKHTIAR SINGH MALIK.

SHRIMATI RENUKA CHOWDHURY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the answer to Unstarred Question No. 606 given in the Rajya Sabha on 29th February, 1988 and state:

(a) what are the terms of the agreement recently signed by Oil India with Chevron Texaco for oil exploration in Mahanadi Off-shore area; and

(b) what are the financial implications thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM). (a) and (h) The main, features pf the contract signed on 18-4-88 between Government of India/OIL and Chevron International Ltd. and Texaco exploration India Inc. for Oil Exploration in Mahanadi off-shore area are as under: —

(i) Foreign Oil Co. will explore for petroleum at its own risk and cost.

(ii) If there is. a commercial discovery, - OIL will have the option to participate forty per cent in development and production of the discovery.

(iii) If OIL decides to participate it will contribute forty per cent of development and production costs and remaining sixty per cent will be borne by the foreign Oii Co.

(iv) OIL will be entitled to the share of Petroleum produced corresponding to its participation.

(v) The foreign oil cost share of oil will be available to the Government at International market price till India reaches self sufficiency.

(vi) After recovery of costs the contractor will share petroleum with the Government on sliding scale basis. Governments share of petroleum will increase as the project economics improves.

(vii) The contractor will pay tax . at the rate of fifty per cent on its profits.

(viii) OIL will not contribute to exploration costs but it will be associated with the foreign costs work right from the beginning.

(ix) The entire data acquired by the foreign co. will be available to OIL.

(x) The assets acquired for permanent use in petroleum operations would become OIL's property once the cost recovery for such assets is claimed by the foreign oil co. without any further payment by OIL.

Pending[1] projects of NLD

1365. SHRI K. GOPALAN;
SHRI V. GOPALSAMY:

Will the Minister of ENERGY be pleased to state:

(a) how many proposals/projects of Neyveli Lignite Corporation Ltd. are pending as on date with Central Government for clearance

(b) the details of each proposals/ project and also the amount of investment involved;

(c) what is the present power generation capacity of Neyveli Lignite Corporation;

(d) whether it is a fact that NLC -wants to raise its power generation capacity to 4200 MW by the end of the century and if so, what will be the investment required therefor; and

(e) what steps are being taken in this regard?.